

MEETING
STATE OF CALIFORNIA
AIR RESOURCES BOARD

RIVERSIDE COUNTY ADMINISTRATIVE CENTER
BOARD OF SUPERVISORS CHAMBERS
FIRST FLOOR
4080 LEMON STREET
RIVERSIDE, CALIFORNIA

THURSDAY, MARCH 22, 2018

9:11 A.M.

JAMES F. PETERS, CSR
CERTIFIED SHORTHAND REPORTER
LICENSE NUMBER 10063

A P P E A R A N C E S

BOARD MEMBERS:

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Ms. Sandra Berg, Vice Chair

Dr. John Balmes

Mr. Hector De La Torre

Mr. John Eisenhut

Senator Dean Florez

Assembly Member Eduardo Garcia

Supervisor John Gioia

Senator Ricardo Lara

Ms. Judy Mitchell

Supervisor Phil Serna

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Professor Daniel Sperling

Ms. Diane Takvorian

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Ms. Edie Chang, Deputy Executive Officer

Mr. Kurt Karperos, Deputy Executive Officer

Ms. Ellen Peter, Chief Counsel

Ms. Veronica Eady, Assistant Executive Officer

Ms. La Ronda Bowen, Ombudsman

Ms. Emily Wimberger, Chief Economist

A P P E A R A N C E S C O N T I N U E D

STAFF:

Ms. Cari Anderson, Branch Chief, Freight Transportation Branch, Transportation and Toxics Division(TTD)

Ms. Heather Arias, Branch Chief, Community Planning Branch, Office of Community Air Protection(OCAP)

Mr. Michael Benjamin, Division Chief, Air Quality Planning and Science Division(AQPSD)

Mr. Pippin Brehler, Senior Attorney, Legal Office

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Mr. Nesamani Kalandiyur, Manager, Transportation Analysis Section, AQPSD

Ms. Karen Magliano, Director OCAP

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Ms. Cynthia Marvin, Division Chief, TTD

Mr. Gabriel Monroe, Attorney, Legal Office

Ms. Lezlie Kimura Szeto, Manager, Sustainable Communities Policy and Planning Section, AQPSD

Ms. Heather King, Air Pollution Specialist, Sustainable Communities Policy and Planning Section, AQPSD

Mr. Craig Segall, Assistant Chief Counsel, Legal Office

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STAFF:

Ms. Carol Sutkus, Manager, South Coast Air Quality Planning Section, AQPSD

Ms. Sylvia Vanderspek, Branch Chief, Air Quality Planning Branch, AQPSD

Ms. Elizabeth Yura, Branch Chief, Freight Activity Branch, TTD

ALSO PRESENT:

Mr. Alan Abbs, California Air Pollution Control Officers Association

Ms. Estrella Arana, Sierra Club

Dr. Martha Argüella, Physicians for Social Responsibility

Mr. Victor Banuet, Colton High School Eco-Friendly Club

Ms. Alix Bockelman, Metropolitan Transportation Commission, Association of Bay Area Governments

Mr. Bo Boylan, Solidia Technologies

Mr. Jack Broadbent Bay Area Air Quality Management District

Ms. Astrid Calderas

Mr. Todd Campbell, Clean Energy

Ms. Ana Carlos, CCAEJ

Ms. Llesenia Cevallos, Environmental Health Coalition

Ms. Elisa Chang, CALPIRG

Mr. Christopher Chavez

Mr. James Corless, Sacramento Area Council of Governments

Mr. Paul Cort, Earthjustice

A P P E A R A N C E S C O N T I N U E D

STAFF:

Mr. George Coursier, Sierra Club San Diego

Ms. Nikita Daryanani, Leadership Counsel for Justice and Accountability

Mr. Harvey Eder, Public Solar Power Coalition

Ms. Demi Espinoza, Safe Routes to School National Partnership

Mr. Steve Figueroa, Inland Empire Latino Coalition

Mr. Juan Flores

Ms. Genevieve Gale, Central Valley Air Quality Coalition

Ms. Shirley Gamble, Watts Clean Air and Energy Committee

Ms. Lillian Garcia, LA Union Hace La Fuerza

Mr. Cristian Garza

Mr. Ruben Garza

Mr. Ricardo Gastelum, CBE

Ms. Esperanza Gonzalez, Environmental Health Coalition

Mr. David Grubb, Sierra Club

Mr. Gabriel Guerrero, CBE

Ms. Lupe Guerrero, CBE

Ms. Katy Gurin, 380 Riverside

Mr. Christian Guzman, CBE

Mr. George Hague

Mr. Kevin Hamilton, Central California Asthma Collaborative

Ms. Michele Hasson, CCAEJ

A P P E A R A N C E S C O N T I N U E D

STAFF:

Mr. Allen Hernandez, CCAEJ

Ms. Jennifer Hernandez, The 200

Ms. Lizette Hernandez, Sierra Club

Mr. Miguel Hernandez, CCV

Ms. Bonnie Holmes-Gen, American Lung Association in
California

Mr. Hasan Ikhata, Southern California Association of
Governments

Mr. Mike Jacob, Pacific Merchant Shipping Association

Dr. Karen Jakpor, American Lung Association

Ms. Asher Jones

Mr. Tom Jordan, San Joaquin Valley Air Pollution Control
District

Ms. Kim Kawada, San Diego Association of Governments

Ms. Graciela Larios, CCAEJ

Mr. Thomas Lawson, California Natural Gas Vehicle
Coalition

Mr. Bob Leiter, Stay Cool For Grandkids

Ms. Bryn Linblad, Climate Resolve

Ms. Irma Loyva, CBE

Mr. Humberto Lugo, IVAN Coachella, Comite Civico del Valle

Dr. Joe Lyou, South Coast Air Quality Management District

Ms. Margarita Margano, Environmental Health Coalition

Ms. Carmina Martinez, Environmental Health Coalition

A P P E A R A N C E S C O N T I N U E D

STAFF:

Mr. Richard McCaskill, CARB Small Business Opportunity
Advisory Panel

Mr. Kent Minault

Ms. Amy Mmagu, Cal Chamber

Mr. Edith Moreno, SoCalGas

Mr. Wayne Nastri, South Coast Air Quality Management
District

Ms. Alli Neri, Climate Action Campaign

Mr. Luis Olmedo, Komite Civico del Valle

Mr. Rodolfo Olivo, CBE

Mr. Brad Poiriez, Mojave Desert Air Quality Management
District

Ms. Esther Portillo, CCAEJ

Ms. Linda G. Pratt, Stay Cool For Grandkids

Mr. Matt Regan, Bay Area Council

Mr. Kyle Rentschler, Sierra Club

Ms. Ana Reynoso, Environmental Health Coalition

Ms. Alicia Rivera, CBE

Ms. Maha Rizvi, represented Assembly Member Eloise Gomez
Reyes

Mr. Thomas Rocha, CCAEJ

Mr. Greg Roche, Clean Energy

Mr. Cody Rosenfield, Coalition for Clean Air

Mr. Carter Rubin, Natural Resources Defense Council

A P P E A R A N C E S C O N T I N U E D

STAFF:

Mr. Sebastian Sarria, Climate Action Campaign

Mr. Chris Shimoda, California Trucking Association

Ms. Shelly Sullivan, Climate Change Policy Coalition

Ms. Taylor Thomas, EYCEJ

Mr. Bill Tippetts, Southwest Wetlands Interpretive Association

Ms. Heather Tomley, Port of Long Beach

Mr. Christian Torres, Comite Civico del Valle

Ms. Ashley Tremonti, City of San Diego

Ms. Stephanie Tsai, California Environmental Justice Alliance

Ms. Andrea Viadurre, CCAEJ

Ms. Bianca Villanueva, California Association of Port Authorities

Ms. Joy Williams, Environmental Health Coalition

Ms. Ella Wise, Climate Plan

Ms. Sophia Wolfram, Climate Action Campaign

Ms. Jenny Xiomara Rosales Aguilar, Queremos Cero Emission

Mr. Andrew Yancey, Golden Door

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1 P R O C E E D I N G S

2 CHAIR NICHOLS: Good morning, everybody. Would
3 you please take your seats We're about to begin.

4 Will you please take your seats.

5 I guess -- I think people are having a really
6 good time, but it's time to start the meeting or we could
7 have a meeting of our own, I guess.

8 All right. It seems that that's what I had to
9 do. The March 22nd, 2018. Public meeting of California
10 Air Resources Board will come to order. Thank you all
11 very much for being here.

12 Before we begin our agenda, we will all please
13 rise and say the pledge of allegiance to the flag, which
14 is right here.

15 (Thereupon the Pledge of Allegiance was
16 recited in unison.)

17 CHAIRPERSON NICHOLS: Would the clerk please call
18 the roll.

19 BOARD CLERK McREYNOLDS: Dr. Balmes?

20 BOARD MEMBER BALMES: Here.

21 BOARD CLERK McREYNOLDS: Mr. De La Torre?

22 BOARD MEMBER DE LA TORRE: Here.

23 BOARD CLERK McREYNOLDS: Mr. Eisenhower?

24 BOARD MEMBER EISENHUT: Here.

25 BOARD CLERK McREYNOLDS: Senator Florez?

1 BOARD MEMBER FLOREZ: Here.

2 BOARD CLERK McREYNOLDS: Assembly Member Garcia?
3 Supervisor Gioia?

4 BOARD MEMBER GIOIA: Here.

5 BOARD CLERK McREYNOLDS: Senator Lara?
6 Ms. Mitchell?

7 BOARD MEMBER MITCHELL: Here.

8 BOARD CLERK McREYNOLDS: Mrs. Riordan?
9 Supervisor Roberts?

10 Supervisor Serna?

11 BOARD MEMBER SERNA: Here.

12 BOARD CLERK McREYNOLDS: Dr. Sherriffs?

13 BOARD MEMBER SHERRIFFS: Testing. Testing.

14 Here.

15 BOARD CLERK McREYNOLDS: Professor Sperling?

16 BOARD MEMBER SPERLING: Here.

17 BOARD CLERK McREYNOLDS: Ms. Takvorian?

18 BOARD MEMBER TAKVORIAN: Here.

19 BOARD CLERK McREYNOLDS: Vice Chair Berg?

20 VICE CHAIR BERG: Here.

21 BOARD CLERK McREYNOLDS: Chair Nichols?

22 CHAIR NICHOLS: Here.

23 BOARD CLERK McREYNOLDS: Madam Chair, we have a
24 quorum.

25 CHAIR NICHOLS: Great. A couple of announcements

1 to make before we get started.

2 First of all, I want to let everybody know that
3 interpretation services will be provided in Spanish for
4 the discussion items. Headsets are available outside the
5 hearing room at the attendant's sign-up table, and can be
6 picked up at any time.

7 Madam translator, would you repeat that, please?

8 (Thereupon interpretation in Spanish.)

9 CHAIR NICHOLS: Gracias.

10 Anyone who wishes to testify should fill out a
11 request to speak card available in the lobby outside the
12 Board room. We'd appreciate it if you will turn that into
13 a Board assistant or to the clerk seated over here at this
14 table prior to the commencement of the item that you're
15 wanting to speak on.

16 Also, since items 18-2-5, the update on
17 implementation of the State strategy for the SIP, and the
18 South Coast Air Quality Management Plan, and 18-2-6, the
19 update on concepts for minimizing the community health
20 impacts from freight facilities are two agenda items that
21 are closely related, we are going to hear them both
22 together. So the two items will be combined in the
23 presentation, and then there will be one comment period
24 for both items.

25 I want to make sure that speakers are aware that

1 the Board will impose a three minute time limit. We
2 appreciate it if you give your name when you come up to
3 the podium and then put your testimony into your own
4 words. It's easier for us to follow it if you will just
5 get straight to your main points.

6 We appreciate all the nice things you want to say
7 about our staff, but you don't have to take up the time
8 that you want to take up with making other points by
9 saying good things about them. And you don't need to read
10 your written statements, if you have one, because it will
11 be automatically entered into the -- into the record.

12 So with that -- oh, for safety reasons, please
13 note the emergency exits to the rear of the room. There
14 are two. In the event of a fire alarm, we're required to
15 evacuate this room immediately and to go out of the
16 building. When the all-clear signal is given, we will
17 return to the hearing room and resume the meeting.

18 Okay. I think that's it for the
19 pre-announcements.

20 The first item on the agenda was listed as a
21 consent item, a public meeting to consider the South Coast
22 Air Quality Management District's on-road heavy-duty
23 vehicle incentive measure. I need to ask the clerk if any
24 witnesses signed up to testify on this item.

25 BOARD CLERK McREYNOLDS: Madam Chair, we had two

1 people sign up to speak for this item.

2 CHAIR NICHOLS: Okay. Since we have had a
3 request now then, we need to remove this from the consent
4 calendar, and follow the normal procedure for a Board
5 meeting.

6 So, Mr. Corey, would you please summarize this
7 item.

8 EXECUTIVE OFFICER COREY: Yes. Thanks, Chair.

9 The 2016 State strategy for the State
10 Implementation Plan was adopted by the Board March 23rd,
11 2017. The State SIP Strategy contains the State's
12 emission reduction commitments for the South Coast Air
13 Quality Management District, including commitments for
14 meeting the 80 parts per billion 8-hour ozone standard in
15 2023.

16 While regulations form the basis of the strategy
17 and are critical to driving the technology development and
18 deployment of the cleanest technologies into the fleet,
19 incentive efforts are needed to expand the deployment of
20 these cleaner technologies in time to meet the federally
21 mandated air quality standards.

22 Among the proposed measures in the State SIP
23 Strategy was a commitment to develop the incentive funding
24 to achieve further emission reductions from on-road
25 heavy-duty vehicles or the South Coast's incentive

1 measure. This item delivers on that commitment.

2 The South Coast incentive measure supports the
3 need to expand deployment of the cleanest technologies by
4 using Carl Moyer Air Quality Standards Attainment Program
5 funding to accelerate the penetration of near-zero and
6 zero emission heavy-duty trucks operating in the South
7 Coast Air Basin and produce emission reductions in 2023.

8 For these emission reductions to be approved by
9 the U.S. EPA for SIP credit, staff followed U.S. EPA
10 guidance as it worked with U.S. EPA and district staff to
11 develop the first-of-its-kind prospective incentive
12 measure. This effort will serve as a template for CARB
13 and air districts to take prospective credit in the SIP
14 for emission reductions from the incentive programs in the
15 future.

16 This proposal would establish the accounting
17 framework needed to receive prospective SIP credit for
18 turning over on-road heavy-duty trucks to cleaner trucks
19 through existing incentive programs such as Moyer.

20 U.S. EPA guidelines outlined the requirement
21 states need to meet in order for the emission reductions
22 from incentive projects to be SIP credible.

23 California already has in place the accounting
24 framework to receive SIP credit for incentive projects
25 after the projects have been completed, and the funds

1 expended. The South Coast incentive measure extends that
2 framework to future projects for incentive programs where
3 the future funding stream is guaranteed.

4 If approved, the South Coast incentive measure
5 will be submitted to U.S. EPA for inclusion in the
6 California SIP.

7 That concludes pie remarks

8 CHAIR NICHOLS: Thank you, Mr. Corey. We have
9 three witnesses who've signed up. We'll start with
10 Shirley Gamble. Ms. Gamble, would you please come forward
11 to speak. There you are.

12 Thank you. Just to be clear, everybody, come on
13 down, and you'll be speaking from the podium here.

14 Thanks.

15 MS. GAMBLE: Good morning.

16 CHAIR NICHOLS: Good morning.

17 MS. GAMBLE: My name is Shirley Gamble. I'm here
18 from the Watts Clean Air and Energy Group. Thank you for
19 giving me this opportunity.

20 I'm here for two reasons: One to say I hope you
21 have the courage and the commitment to draft for the no
22 emi -- zero emission for the drayage trucks. And I just
23 learned what that words means, so that's the one that --
24 the trucks that go from city to city, from the port to
25 the -- to the other cities, so that's one of the reasons.

1 And the other reason I'm here is I'm hoping that
2 the draft includes we say good jobs, but good jobs to me
3 mean jobs that can afford a family to support itself.

4 So thank you.

5 CHAIR NICHOLS: Thank you for coming. Appreciate
6 that very much.

7 Next is it Kent Minault. I hope I pronounced it
8 correctly.

9 Hi.

10 MR. MINAULT: Good morning, Board members. My
11 name is Kent Minault.

12 CHAIR NICHOLS: Minault.

13 MR. MINAULT: That's quite all right.

14 CHAIR NICHOLS: Pronounced the French way.

15 MR. MINAULT: French names are awful difficult.

16 I volunteer with the Sierra Club. And I work as
17 an adult education teacher. My remarks are neutral,
18 because I'm perfectly in favor of the incentives, but I'm
19 concerned about what are called near-zero emission
20 vehicles.

21 Right now, I'm teaching a class of students
22 through L.A. Trade Tech to help them pass entrance
23 examples to union apprenticeship programs. And the unions
24 that are looking to recruit are the ones like IBEW Local
25 11, whose members will build the battery electric buses

1 that will be deployed across Southern California in the
2 next 12 years, as well as building the charging
3 infrastructure to go with it.

4 Now, we're calling on the Board to show courage
5 and save lives. As a result of inaction, children are
6 dying. Now, zero-emission vehicles are the solution. We
7 ask that you start moving us to a zero-emission truck
8 rule. What we have now is dirty air and bad jobs. The
9 only winners are the fossil fuel and goods movement
10 industries. Workers are stuck in low-paying jobs, while
11 their families struggle with dirty air. With a clearly
12 thought out plan to move us to a zero-emission
13 transportation system, we can promise our children a clean
14 air future, and their parents decent paying, collectively
15 bargains jobs.

16 Let's demonstrate the leadership that will get us
17 to the future we want. Thanks for your attention.

18 CHAIR NICHOLS: Thank you very much.

19 The third speaker on this item has also asked to
20 speak on the other 2 items that were on our consent
21 calendar. And so I am going to pull also items 2 and 3,
22 the cap on greenhouse gas emissions, and the consideration
23 of research proposals.

24 And I think what we'll do is ask Mr. Corey to
25 briefly speak to those items and then we'll let Mr. Eger

1 come -- or Eder pardon me, Eder, come forward and speak on
2 all of them.

3 Okay.

4 BOARD CLERK McREYNOLDS: Madam Chair, before we
5 move to the next item, I believe we need to vote for this
6 item?

7 CHAIR NICHOLS: Excuse me?

8 BOARD CLERK McREYNOLDS: Take a vote for this
9 item?

10 CHAIR NICHOLS: I'm not understanding.

11 Yes, he also wanted to speak on this item as
12 well.

13 Oh, well, he has to be allowed to speak before we
14 can take a vote. Yeah, so I was planning on just doing
15 them in order, is that all right?

16 Okay.

17 Would you go ahead, please.

18 EXECUTIVE OFFICER COREY: Yes. Thanks, Chair.

19 So the second consent item I'm going to briefly
20 describe it. CARB staff has proposed amendments to the
21 Cap-and-Trade Regulation in order to accomplish two goals.
22 First, CARB staff seeks to clarify existing requirements
23 related to changes of facility ownership. Specifically,
24 the proposed amendments clarify that the Cap-and-Trade
25 Regulation requires a successor entity after change of

1 ownership to be responsible for the outstanding
2 pre-transfer compliance obligation of the predecessor
3 covered entity. This clarification is made in light of
4 ongoing bankruptcy litigation involving a covered entity
5 in the program.

6 Second, CARB seeks to clarify the regulatory
7 procedure for establishing the auction reserve price.
8 Under the existing California regulation, the auction
9 reserve price in effect for a specific joint auction is
10 determined as the higher of the annual auction reserve
11 prices established individually by California and Quebec
12 after converting the prices to a common currency.

13 California's regulation does not reflect changes
14 in Ontario's regulation, and does not recognize the
15 possibility that the joint auction reserve price could be
16 set by the Ontario auction reserve price.

17 The proposed amendment is necessary to reflect
18 that Ontario and Quebec use province-specific inflation
19 rates when setting their annual auction reserve prices.
20 Without the proposed amendment, in the unlikely event that
21 Ontario's auction reserve price were higher than both
22 California and Quebec's, this could prevent CARB executive
23 officer from certifying the auction result.

24 The proposed amendments do not change the
25 structure of the program. CARB staff will also continue

1 with the rulemaking process to propose more substantial
2 modifications to comport with the requirements of AB 398.
3 That process will conclude after the -- in -- over the
4 course of this -- this year.

5 And the third consent item concerns research
6 proposals. The research covered by the research proposals
7 before you today support the Board's regulatory priorities
8 related to health, environmental justice, air quality, and
9 climate change. The proposed projects will support
10 California's air quality and climate goals by evaluating
11 the effectiveness of multiple criteria pollutant emission
12 reduction programs, identifying high emitting vehicles,
13 measuring brake wear emissions, developing an instrument
14 to measure toxic metal aerosols, and creating a framework
15 to measure greenhouse gas emission reductions in zero net
16 carbon communities.

17 These research projects were presented to you as
18 concepts in the research plan, and have now been developed
19 into full proposals. They have been reviewed by CARB's
20 research screening committee, as well as by other State
21 agencies and funding organizations to promote coordination
22 and avoid duplication.

23 The majority of these proposals includes low
24 overhead rate and leverages the expertise of researchers
25 within the University of California and California State

1 University systems.

2 And we recommend approval of these proposals.

3 That concludes the summary.

4 CHAIR NICHOLS: Thank you very much. Okay. Okay
5 No. Sorry.

6 Mr. Eder, would you please come forward.

7 MR. EDER: Good morning. My name is Harvey Eder.
8 I'm speaking for myself and for the Public Solar Power
9 Coalition. First, I have a process question.

10 Am I getting three minutes on each -- you know,
11 each of the three items?

12 CHAIR NICHOLS: I think three minutes total, sir.

13 MR. EDER: I protest that, and say that my time
14 is being cut. I don't know how the Brown Act fits in or
15 whatever.

16 Anyway, for the district on one again echoing
17 what the previous two speakers said there should be
18 zero-emission vehicles, trucks, battery. I incorporate by
19 reference the February issue of The Economist, the article
20 on electric vehicles, electric trucks. They're here
21 today. Anyway, it's cost effective, and whatnot. And
22 been looking at this and talking to manufacturers.

23 On greenhouse -- okay, first of all, for natural
24 gas, it's biased. This plan is a fossil fuel natural gas
25 plant. All the plants for the state have been. Ninety

1 percent of gas is imported into the state. Health and
2 Safety Code 530002(b) says the legislative intent is to
3 not use fossil fuels, especially non-renewable imported
4 into this State. This is not even published in the blue
5 book, this 53000. And it also includes for a solar
6 financing secondary mortgage entity. Anyway, this -- this
7 has been purged. This is 81 from Row Behrity[phonteic].

8 The particulate matter -- they have not looked
9 at -- talked with Dr. Linda Smith. There needs to be a
10 study on dirty gas as toxics, looking at formaldehyde
11 benzene deaths per million has never been done. NOx, SOx,
12 PM, that's where the body count is at \$9 million per. In
13 South Coast you say 4,000, that's \$36 billion per year, 10
14 years. Thirty years to 50 years life of a solar system.
15 You're talking over a billion to billion -- trillion to a
16 trillion and a half dollars. Anyway, the research should
17 be done on natural -- dirty gas as a toxic.

18 Also, there's a lot happening with --
19 concentrating solar and thermal storage at less cost and
20 more viability and options that it can perform, including
21 seasonal storage.

22 I don't see my time thing here is that -- oh,
23 okay. Well, it looks like I'm out of time. I am -- we
24 are litigating against you folks and had a tentative
25 couple days ago in court. And consider this part of

1 settlement discussions. Talk to me.

2 CHAIR NICHOLS: Okay. Thank you. We had one
3 last late minute sign up from the Sierra Club -- or
4 someone representing the Sierra Club. Estrella Arana, if
5 you're here.

6 MS. ARANA: My name is Estrella and I am from San
7 Bernardino. I'm disappointed that 200 gas trash trucks
8 are being distributed to disadvantaged communities in the
9 Inland Empire. We don't need anymore gas. Purchasing
10 near-zero emission vehicles, natural gas vehicles, is a
11 half step that will achieve little, if any, environmental
12 long-term benefits in order to achieve California's
13 greenhouse gas targets, SB 100. We must push for
14 completely zero-emission vehicles, especially in areas
15 with the worst air quality.

16 Thank you.

17 CHAIR NICHOLS: Thank you.

18 Okay. I think we agree with you on the drive to
19 zero-emission vehicles, but that's not specifically
20 covered in any of the items that we're voting on at the
21 moment.

22 I think we need to take them up in order. So
23 let's start with the first one, which is the incentives.
24 I'm sorry. I didn't -- I'm trying to learn how to use the
25 system. Okay. Got it.

1 BOARD MEMBER FLOREZ: No problem. Thank you.
2 I'm glad actually we pulled some of the items. I would
3 like to ask staff and -- in the future, I know this item
4 on cap and trade is on consent. I'm just wondering, given
5 the timeframe of the legislation, given the ongoing
6 conversation in this realm, whether or not we should not
7 put cap and trade on consent moving forward, and for a
8 couple of -- couple of reasons.

9 You know, first, from my perspective only, and
10 maybe staff can delve a little more into this, the
11 resolution is to inform the Board on what specifically?
12 So I'm trying to understand what the resolution is
13 actually trying to accomplish?

14 DEPUTY EXECUTIVE OFFICER CHANG: Sorry. So
15 Senator Florez, the -- this is actually a regulatory
16 amendment, and it has two main parts.

17 BOARD MEMBER FLOREZ: Yes.

18 DEPUTY EXECUTIVE OFFICER CHANG: One piece has to
19 do with making sure that as companies are going through
20 bankruptcy that their emission obligations are passed on.
21 And we think that the regulation is clear on that, but we
22 wanted to clarify. So that's one piece, and it relates to
23 a current proceeding that is happening right now.

24 BOARD MEMBER FLOREZ: Okay.

25 DEPUTY EXECUTIVE OFFICER CHANG: The second piece

1 was an oversight in the drafting of the regulation when we
2 linked with Ontario. And currently, if the Ontario floor
3 price is the one that is -- is the floor price that we
4 should us, there's no mechanism in the regulation to
5 choose that. So these are very, very small surgical
6 changes that, as Mr. Corey said, don't affect the broader
7 structure of the regulation or the broader regulatory
8 changes that we are currently workshopping and having
9 conversations with stakeholders about.

10 BOARD MEMBER FLOREZ: Okay. I appreciate that.
11 Madam Chair, I don't know if there's, at some point -- you
12 know, the goal of the Board obviously is to hear the
13 public, but there's also this other sector called the
14 legislature that things bubble up over there. So maybe
15 staff can, on this topic, come back with three items
16 through the Chair, on the Chair's timing. One is what is
17 the status of the advisory board. I know the Senate made
18 an appointment. I know the Assembly has yet to make an
19 appointment to give us advice as we move through this.

20 So maybe we can get an update checking in with
21 the speaker on the timing of that. I think that's
22 important, only because I think it brings this advisory
23 board -- the purpose of that was to bring a little bit
24 more into this.

25 The other has to do with the treatment of

1 offsets. LAO did a pretty thorough job of trying to
2 understand and give some thoughts on this new rule or new
3 legislation instate/outstate. I'd like to know if, in
4 some sense, where that's going. Maybe just an update for
5 the Board, you know, what is instate what is outstate, how
6 are we thinking about it, how are we communicating with
7 the public. And, of course, the always -- the always
8 upfront conversation about oversupply, is there, is there
9 not? Again LAO opined on that.

10 And I would like to know from staff in this
11 particular realm, you know, what -- you know, how we are
12 looking at this issue kind of moving forward. And so I
13 appreciate that the resolution is very specific. It's
14 aimed at two items. I definitely will support it. And
15 that meant -- but I think on a larger scale these three
16 items continue to brew in the legislature. I think we
17 should be ahead of it with a Board conversation. And I
18 think we should, in some sense, have some Board
19 conversations on those three items: Again oversupply, you
20 know, some sense of where offsets are, and, of course, the
21 status of the advisory committee. So that would just be
22 my comment.

23 Thank you.

24 CHAIR NICHOLS: Yes. Well, I'm going to take
25 that as a Board member request of the staff, and --

1 BOARD MEMBER FLOREZ: However, you'd like to do
2 it.

3 CHAIR NICHOLS: -- ask the staff to respond.

4 BOARD MEMBER FLOREZ: Yeah, I just wanted to make
5 sure at this point.

6 CHAIR NICHOLS: Yeah, absolutely.

7 BOARD MEMBER FLOREZ: Okay. Thank you.

8 CHAIR NICHOLS: I think it's a good -- a good
9 point that it's time for another update on how things are
10 going with the program and let's try to get that -- let's
11 try to get that scheduled. I know a little bit about too
12 much about all of those things, and I -- but I don't want
13 to start the conversation right now. I know.

14 BOARD MEMBER FLOREZ: At some point.

15 CHAIR NICHOLS: No, no, it's for you -- for the
16 Board and for -- and for the public as well. So, yes, we
17 need to do that.

18 On these two items that are in front of us, I do
19 want to mention on one of them that it was actually in
20 response to a legislative issue about our authority to
21 require a successor company when somebody goes through
22 bankruptcy to continue to be responsible for the
23 allowances. And we were asked that question in a hearing.
24 And some doubt was raised about our position.

25 So we thought it was really important to get that

1 one fixed and clarified right away. So any other Board
2 members wanted to comment on item number 1? If not, we
3 can have a resolution.

4 I have a motion.

5 Yes. Sorry.

6 BOARD MEMBER TAKVORIAN: Hello.

7 CHAIR NICHOLS: Your yellow light is flashing.

8 BOARD MEMBER TAKVORIAN: We need a technical
9 manual. Thank you. I just wanted to comment on the
10 public comments in regards to the need to go to zero
11 emissions. And I ask that question of the staff in
12 regards to item number 1. And my understanding, I just
13 want to clarify this, is that there is flexibility in that
14 incentive program, and that zero-emission trucks -- trash
15 trucks and drayage trucks could be -- would be eligible as
16 well. So I just wanted to confirm that, so that while I
17 know that there was a -- more of a focus on natural gas
18 vehicles, that there is the ability for the district to
19 utilize those incentive funds for zero emission. And I
20 just wanted to get that confirmation.

21 EXECUTIVE OFFICER COREY: That's correct. The
22 method -- it's a methodology for accounting. It does not
23 preclude zero at all. It's included.

24 BOARD MEMBER TAKVORIAN: Yes.

25 EXECUTIVE OFFICER COREY: Yes.

1 BOARD MEMBER TAKVORIAN: Thank you

2 CHAIR NICHOLS: Great. All right. May I have a
3 motion then?

4 BOARD MEMBER DE LA TORRE: So moved.

5 VICE CHAIR BERG: Second.

6 CHAIR NICHOLS: All right. All in favor of Item
7 number 1, the South Coast heavy-duty vehicle incentive
8 measure, say aye, please?

9 (Unanimous aye vote.)

10 CHAIR NICHOLS: Opposed?

11 Any abstentions?

12 Okay. Great.

13 Let's then move to Item number 2, which is the
14 amendments to the cap and the market-based compliance
15 mechanism. And again, the only witness we had on that one
16 was Mr. Eder. I understand his basic issue is around
17 solar energy, and the need to be moving on solar energy,
18 which again we agree to, but I think it's probably not
19 going to affect this particular item. However, I will ask
20 for a motion and a second here.

21 BOARD MEMBER BALMES: So moved.

22 VICE CHAIR BERG: Second.

23 CHAIR NICHOLS: All in favor, please say aye?

24 (Unanimous aye vote.)

25 CHAIR NICHOLS: Opposed?

C E R T I F I C A T E O F R E P O R T E R

I, JAMES F. PETERS, a Certified Shorthand Reporter of the State of California, do hereby certify:

That I am a disinterested person herein; that the foregoing California Air Resources Board meeting was reported in shorthand by me, James F. Peters, a Certified Shorthand Reporter of the State of California, and was thereafter transcribed, under my direction, by computer-assisted transcription;

I further certify that I am not of counsel or attorney for any of the parties to said meeting nor in any way interested in the outcome of said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 6th day of April, 2018.



JAMES F. PETERS, CSR
Certified Shorthand Reporter
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